

AMENDED IN ASSEMBLY MAY 6, 2014
AMENDED IN ASSEMBLY APRIL 22, 2014
AMENDED IN ASSEMBLY MARCH 28, 2014
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1935

Introduced by Assembly Member Campos

February 19, 2014

An act to amend Section 321.7 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 1935, as amended, Campos. Electricity: clean distributed energy resources.

Existing law requires the Public Utilities Commission, on a biennial basis and in consultation with the Independent System Operator and the State Energy Resources Conservation and Development Commission, to study and submit a report to the Legislature and the Governor on the impacts of distributed energy generation on the state's distribution and transmission grid.

This bill would instead require the Public Utilities Commission, on a biennial basis, to study and submit a report to the Legislature and the Governor on the impacts of distributed generation, including clean distributed energy resources, as defined, on the state's distribution and transmission grid.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 321.7 of the Public Utilities Code is
 2 amended to read:
- 3 321.7. (a) On or before January 1st of every other year, the
 4 commission, in consultation with the Independent System Operator
 5 and the Energy Commission, shall study, and submit a report to
 6 the Legislature and the Governor, on the impacts of distributed
 7 generation, including clean distributed energy resources, on the
 8 state’s distribution and transmission grid.
- 9 (b) For the purposes of this section, “clean distributed energy
 10 resource” means any of the following:
- 11 (1) A clean energy generating technology that meets all of the
 12 following criteria:
- 13 (A) Produces electricity, or electricity and useful heat.
- 14 (B) Has a greenhouse gas emissions factor, including, when
 15 applicable, credit for waste heat recovery and savings on
 16 transmission and distribution losses, that is less than or equal to
 17 an emissions factor determined by the State Air Resources Board
 18 that represents the emissions of greenhouse gases that are displaced
 19 by the electricity generated by the distributed energy resource.
- 20 (C) Has an oxide of nitrogen (NOx) emissions rate, including,
 21 when applicable, credit for waste heat recovery, that is less than
 22 or equal to 0.07 pounds per megawatthour, or a lower NOx
 23 emissions rate that the State Air Resources Board determines
 24 reflects the best performance achieved in practice by existing
 25 electrical generation technologies pursuant to Section 41514.9 of
 26 the Health and Safety Code.
- 27 (D) Has a nameplate rated generation capacity of 20 or less
 28 megawatts.
- 29 (2) An eligible renewable energy resource, as defined in Section
 30 399.12, that has a nameplate generation capacity of 20 or less
 31 megawatts.
- 32 ~~(3) A demand side reduction resource.~~
- 33 (3) *Demand response that provides reliability benefits to the*
 34 *system, complies with local, state, and federal air emission*
 35 *regulations, reduces emissions of greenhouse gases, and supports*
 36 *the state’s goal of increasing the use of eligible renewable energy*
 37 *resources pursuant to the California Renewables Portfolio*

1 *Standard Program (Article 16 (commencing with Section 399.11)*
2 *of Chapter 2.3).*

3 (4) An energy storage technology that stores energy from a
4 technology or resource specified in paragraph ~~(1), (2), or (3)~~. *(1*
5 *or (2).*

6 (c) The study shall evaluate all of the following:

7 (1) Reliability and transmission issues related to connecting
8 clean distributed energy resources to the local distribution networks
9 and regional *electrical* grid.

10 (2) Issues related to *electrical* grid reliability and operation,
11 including interconnection, and the position of federal and state
12 regulators toward distributed energy accessibility.

13 (3) The effect on overall *electrical* grid operation of various
14 clean distributed energy resources.

15 (4) Barriers affecting the connection of distributed energy to
16 the state's *electrical* grid.

17 (5) Emerging technologies related to clean distributed energy
18 resources interconnection.

19 (6) Interconnection issues that may arise for the Independent
20 System Operator and local distribution companies.

21 (7) The effect on peak demand for electricity.

22 (d) In addition, the commission shall specifically assess the
23 impacts of the California Solar Initiative program, specified in
24 Section 2851 and Section 25783 of the Public Resources Code,
25 the self-generation incentive program authorized by Section 379.6,
26 and the net energy metering pilot program authorized by Section
27 2827.9.

28 (e) The report submitted to the Legislature pursuant to
29 subdivision (a) shall be submitted in compliance with Section 9795
30 of the Government Code.